(a) whether the Indian Road Construction Corporation has ben running in loss for the last several years; and

(b) if so, the steps taken or proposed to be taken by the Government to make the Corporation viable?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) Yes, Sir.

(b) The steps proposed to be taken by the Government to make the Corporation viable are yet to be finalised.

*[Translation]*

**Income Tax on Dearness Allowance**

*641. SHRI GIRDHARI LAL BHARGAVA:
PROF. K.V. THOMAS:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government compensate the employees for rise in the prices during a fixed period by paying dearness allowance; and

(b) if so, the justification for including the amount of dearness allowance in the income of the employees while calculating income tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Under the existing formula based on the recommendations of the Fourth Central Pay Commission, Government of India compensates its employees for rise in the prices by grant of Dearness Allowance twice in a year from 1st January and 1st July payable with the salary of March and September respectively.

(b) The justification for including the amount of dearness allowance in the income of the employees while calculating income tax is that dearness allowance is calculated on the pre-tax salary of an employee.

*[English]*

**Price of Tea and Coffee Seeds**

*642. SHRI N. DENNIS: Will the Minister of COMMERCE be pleased to state the steps taken to reduce there price of tea and coffee seeds sold to the consumers and to check their hoarding and profiteering?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): In the case of tea, the retail prices of some of the brands have come down between January, 1991 and July, 1991.

(Rs./Kg.)

| | Brooke Bond Red Label | Liptons Yellow Label |
|---|---|---|
| January, 1991 | 64.00 | 66.70 |
| July, 1991 | 62.00 | 62.00 |

With regard to coffee, prices had gone up during January, 1991 to March, 1991 on account of a len crop during the previous year. However, adequate quantities have been available after March, 1991 and the retail prices have come down, as indicated below for raw coffee.